



350 South Loop 336 West, Conroe, TX 77304-3308  
www.consolidated.com

## **EX PARTE**

November 4, 2016

## **VIA ECFS**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th St., SW  
Washington, DC 20554

**Re: *Business Data Services in an Internet Protocol Environment et al.*, WC Docket No. 16-143, WC Docket No. 05-25, WC Docket No. 15-247, RM-10593**

Dear Ms. Dortch:

On Thursday, November 3, 2016, Michael Shultz of Consolidated Communications (Consolidated) met separately with Amy Bender, Legal Advisor for Commissioner O'Reilly; Claude Aiken, Wireline Legal Advisor for Commissioner Clyburn; and Nick Degani, Legal Advisor to Commissioner Pai to discuss the nature of the markets Consolidated serves, the level of competition for business data services and the decreasing demand Consolidated is experiencing as a result of that competition. They also addressed issues related to the Chairman's "Fact Sheet" describing the proposed order on circulation in the above-captioned proceeding.<sup>1</sup> Michael Jacobs of ITTA also participated in the meeting with Mr. Degani.

Specifically, Consolidated suggested that the proposed 11% one-time downward adjustment to the price cap index for all price cap carriers should be pro-rated for "non-CALLS" incumbent LECs (ILECs) that have not been regulated under price caps for the entire period of efficiency gains the downward adjustment purports to address.<sup>2</sup> None of Consolidated's ILECs were price cap carriers in 2004. In 2008, the Commission, pursuant to section 61.41(a)(3) of its rules,<sup>3</sup> granted Consolidated's application to convert three study areas to price cap regulation.<sup>4</sup> These three study areas were in Texas (Consolidated Communications of Fort Bend Company, Consolidated Communications of Texas Company), and in Illinois (Illinois Consolidated Telephone Company). In 2012, the Commission granted Consolidated's application to convert its Pittsburgh-area ILEC,

---

<sup>1</sup> Fact Sheet: Chairman Wheeler's Proposal to Promote Fairness, Competition, and Investment in the Business Data Services Market (Oct. 7, 2016), [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2016/db1007/DOC-341659A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db1007/DOC-341659A1.pdf).

<sup>2</sup> See *In the Matter of Business Data Services in an Internet Protocol Environment*, WC Docket No. 16-143, *Investigation of Certain Business Data Services in Tariff Pricing Plans*, WC Docket No. 15-247, *Special Access for Price Cap Local Exchange Carriers*, WC Docket No. 05-25, *AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, RM-10593, *Tariff Investigation Order and Further Notice of Proposed Rulemaking*, 31 F.C.C. Rcd. 4723, 4732-33 ¶ 19 (rel. May 2, 2016).

<sup>3</sup> 47 C.F.R. § 61.41(a)(3).

<sup>4</sup> *Consolidated Communications Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief*, Order, 23 FCC Rcd 7353 (Wireline Comp. Bur. 2008).

Consolidated Communications of Pennsylvania Company, from an average schedule company to price caps.<sup>5</sup> And in 2013, the Bureau granted conversion for Consolidated Communications of California Company (then known as SureWest Telephone), a rate of return regulated ILEC in California.<sup>6</sup>

Additionally, due to the pending reduction in switched access transport rates to \$0.007 effective July 1, 2017,<sup>7</sup> and the significant financial impact that will have on the business, Consolidated proposed that any impacts resulting from an order in this proceeding be effective July 1, 2018.

Respectfully submitted,

/s/ Michael J. Shultz

Michael J. Shultz  
Vice President, Regulatory & Public Policy

cc: (email)  
A. Bender  
C. Aiken  
N. Degani

---

<sup>5</sup> *Joint Petition of Price Cap Holding Companies for Conversion of Average Schedule Affiliates to Price Cap Regulation and for Limited Waiver Relief*, WC Docket No. 12-63; Consolidated Communications Companies Tariff F.C.C. No. 2, Transmittal No. 41; Order, 27 FCC Rcd 15753 (2012).

<sup>6</sup> *SureWest Telephone Petition for Conversion from Rate-of-Return to Price Cap Regulation and for Limited Waiver Relief*, 28 FCC Rcd 8016 (Wireline Comp. Bur. 2013).

<sup>7</sup> 47 C.F.R. § 51.907(g)(1).